ARIZONA DEPARTMENT OF WATER RESOURCES

Office of Assured and Adequate Water Supply

3550 North Central Avenue, Phoenix, Arizona 85012 Telephone 602 771-8500 Fax 602 771-8689

Janet Napolitano August 31, 2006 Governor

Mr. Roy Tanney

Herbert R. Guenther Director

Arizona Department of Real Estate 2910 N. 44th Street Phoenix, Arizona 85018

Water Adequacy Report #22-4022740000

Subdivision Name: Concho Lakeland Unit 3, lots 580,

581, 582 & 538

Owner: N.R.L.L. East, LLC

Number of lots: 4 County: Apache

Township 11 N Range 26 E Section 19

Dear Mr. Tanney:

Water provided by: Individual wells

Water Type: Groundwater

Current water depth: No Information provided Est. 100-yr depth: No Information provided Current decline rate: No Information provided

Basin: Little Colorado River Plateau

Pursuant to A.R.S. § 45-108, the Department of Water Resources has reviewed the available information pertaining to the water supply for the above-referenced subdivision. This letter constitutes the Department's report on the subdivisions water supply as required by A.R.S. § 45-108(A).

Adequacy of the 100-year water supply was reviewed by the Department with regard to physical, legal and continuous availability, and to determine if the water supply is of adequate quality. No information has been provided to the Department that indicates that the applicant has satisfied the adequate water supply requirements as set forth in A.A.C. R12-15-715 et seq. Therefore, the Department of Water Resources finds the water supply to be inadequate to meet the subdivision's projected needs.

Pursuant to A.R.S. §32-2181.F. a summary of the Department's report for those with an inadequate water supply be included in all promotional material and contracts for sale of lots in the subdivisions. We suggest the following synopsis:

"Concho Lakeland Unit 3, lots 580-582 & 538 are being served groundwater by individual wells. The developer has chosen not to demonstrate a 100-year adequate water supply. The criteria for physical, legal and continuous availability as set forth in A.A.C. R12-15-717 were not demonstrated, and proof of adequate water quality, as set forth in A.A.C. R12-15-718 was not provided. Therefore the Department must find the water supply to be *inadequate*. For additional information please contact the Arizona Department of Water Resources at (602) 771-8585."

The developer, pursuant to A.R.S. §32-2181.F., may suggest a different summary of this report, but it must contain the above elements and/or the Department's findings. Any change to the above subdivision or water supply plans may invalidate this decision.

This letter is being forwarded to your office as required by A.R.S. § 45-108. This law requires the developer to hold the recordation of the subdivision's plat until receipt of the Department's report on the subdivision's water supply. By copy of this report, the Apache County Recorder is being officially notified of the developer's compliance with the law.

Sincerely,

FP/RO/ef 700368

Frank Putman Assistant Director

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Apache County Planning and Zoning Apache County Recorder Todd C. Gladis

Rick Obenshain, ADWR